

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**HB 2338 – SB 2292**

April 4, 2018

**SUMMARY OF ORIGINAL BILL:** Deletes certain training requirements established by Public Chapter 118 of 2017 for certain municipal utility board commissioners.

**FISCAL IMPACT OF ORIGINAL BILL:**

Decrease Local Expenditures – \$12,500/Permissive

**IMPACT TO COMMERCE OF ORIGINAL BILL:**

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (014031):** Deletes all language after the enacting clause. Requires the Comptroller of the Treasury (COT) to provide online continuing education to municipal utility board commissioners, beginning no later than March 1, 2019.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- Public Chapter 118 required all commissioners of municipal utility systems to attend a total of 24 hours of training and continuing education every four years; 12 hours during the first year of their term and 12 hours over the course of the succeeding three years.
- The proposed language would authorize commissioners of municipal utility system boards which supervise, control, or operate a public water or public sewer system to attend online training and continuing education provided by the COT and any appropriate association or organization whose curriculum is approved by the COT.

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- While it is unknown how many boards will be impacted, it is reasonably estimated that 50 boards with five commissioners per board, or 250 commissioners (50 boards x 5 commissioners), will be authorized to attend online continuing education.
- According to the COT, costs for developing an online continuing education program can be accomplished using existing resources and staff; therefore any increase in state expenditures is estimated to be not significant.
- According to the COT, the COT does not plan on charging a fee to participants of the online continuing education courses; therefore any increase in state revenue is estimated to be not significant.
- Pursuant to Public Chapter 118, entities wishing to provide training to the commissioners were required to submit a copy of the proposed curriculum to the COT for approval.
- The proposed language does not permit such entities to provide online continuing education.
- The COT will begin offering online courses at the beginning of FY18-19.
- In the event the COT does not charge a fee for online continuing education, approximately 50 percent of municipal utility board commissioners will attend the required training online through the COT, instead of attending continuing education through a COT-approved organization or association.
- Commissioners opting to attend online continuing education provided by the COT will result in a permissive recurring decrease in local government expenditures of \$12,500 [(250 commissioners x 50%) x \$100 per commissioner].
- Any decrease in revenue to TAUD or similar organizations as a result of a decrease in in-person attendance for training will be met with a corresponding decrease in expenditures for training materials no longer required; therefore the net impact to such entities is considered not significant.

## **IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- Any decrease in revenue received by private entities for providing in-person training to fewer municipal utility board commissioners will be met with a corresponding decrease in expenditures for training materials no longer required; therefore any impact is considered not significant.
- Any impact on jobs in Tennessee is considered not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jrh